

NAME.....ADM.....CLASS.....

**GATITU GIRLS SECONDARY SCHOOL**

**BUSINESS STUDIES END TERM TWO EXAM 2016 FORM THREE**

**PAPER 2**

**TIME: 2½ HOURS**

**Instructions to candidates:**

1. Answer all FIVE questions.
2. All answers must be written in English
3. All answers should be written in the booklet provided.

1. (a) Discuss five benefits of filing office documents to an organization. (10mks)  
(b) Explain five negative effects of Unemployment to an economy. (10mks)

2. (a) Explain any five circumstances under which communication in an organization may become ineffective. (10mks)  
(b) Explain five advantages of trade to a country economy. (10mks)

3. (a) Explain the use(s) of the following documents in home trade. (10mks)  
(a) Invoice.  
(b) Acknowledgement note.  
(c) Packing note.  
(d) Quotation.  
(e) Debit note

- (b) Describe five characteristics of co-operative societies. (10mks)

4. (a) Describe five factors that may cause business success. (10mks)

- (b) The following transactions belong to Waki traders for the month of September 2014  
Sept 1: Started business with Sh.45,000 in the bank.  
Sept 3: Bought stock on credit sh.15,000 from Onyango  
Sept 4: Bought furniture sh.5,000 by cheque  
Sept 6: withdrew sh.15,000 from the bank and put it to business cash till.  
Sept 8: Paid sh.5,000 cash for goods bought on credit from Onyango.  
Sept 9: Sold stock on credit sh.9,000 to Omari.

Prepare:

- Balanced ledger accounts.
- Trial balance as at 9<sup>th</sup> September 2014. (10mks)

5. (a) Explain five uses of national income statistics to a country. (10mks)

- (b) The following trial balance was extracted from Vumilia traders as at 31<sup>st</sup> December 2015

Capital	125,000
Purchase	45,000
Carriage on sales	2,000
Stock	25,000
Sales	120,000
Carriage on purchases	1,200
Insurance	5,900
Salaries	12,450
Discount allowed	3,400
Discount received	1,950
Debtors	25,000
creditors	15,500
Bank	14,500
Machinery	<u>128,000</u>

Required: prepare a trial balance (10mks)

NAME.....ADM.....CLASS.....

### GATITU GIRLS SECONDARY SCHOOL

BUSINESS STUDIES END TERM TWO EXAM 2016 *FORM THREE*

PAPER 1

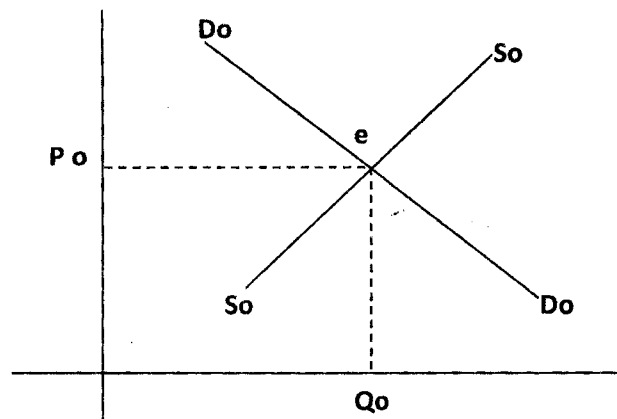
TIME: 2 HOURS.

TOTAL MARKS	
-------------	--

#### INSTRUCTIONS TO CANDIDATES

- (a) Write your *name*, *Adm no* in the spaces provided above..
- (b) Answer *all* questions provided.
- (c) All answers must be written in the spaces provided in the booklet.

1. State **four** problems that consumers may face as they to satisfy their wants. (4mks)
  - (a).....
  - (b).....
  - (c).....
  - (d).....
2. State any **four** factors that may determine the amount of premiums in life assurance( 4mks)
  - (a).....
  - (b).....
  - (c).....
  - (d).....
3. Outline **four** advantages of a supermarket (4mks)
  - (a).....
  - (b).....
  - (c).....
  - (d).....
4. Give **four** features of subsistence production. (4mks)
  - (a).....
  - (b).....
  - (c).....
  - (d).....
5. The following diagram represents demand and supply for a commodity in the market



State **four** possible effects of setting the price above the equilibrium price. (4mks)

- (a).....
- (b).....
- (c).....
- (d).....

6. Highlight **four** importance of transport to an economy. (4mks)

- (a).....
- (b).....
- (c).....
- (d).....

7. State **four** factors an entrepreneur may consider when evaluating a business opportunity. (4mks)

- (a).....
- (b).....
- (c).....
- (d).....

8. Highlight **four** content of ledger accounts (4mks)

- (a).....
- (b).....
- (c).....
- (d).....

9. State **four** reasons why a country would want to know the structure of its population. 4mks
- (a).....
  - (b).....
  - (c).....
  - (d).....

10. Outline **four** features of tied shops. (4mks)
- (a).....
  - (b).....
  - (c).....
  - (d).....

11. State **four** special mail delivery services provided by the post office . (4mks)
- (a).....
  - (b).....
  - (c).....
  - (d).....

Outline four differences between public corporation and public companies.(4 marks)

Public corporations

public companies

- (i)
- (ii)
- (iii)
- (iv)

12. Outline **four** circumstances under which a firm would be located near the market for its products. (4mks)
- (a).....
  - (b).....
  - (c).....
  - (d).....

13. State **four** advantages of promoting goods using radios. (4mks)
- (a).....
  - (b).....
  - (c).....

- (d).....
14. Outline **four** uses of pro-forma invoice (4mks)
- (a).....
- (b).....
- (c).....
- (d).....

15. The following balances were extracted from the books of Adino investments on 1<sup>st</sup> Dec 2015

Debtors	700,000
Creditors	100,000
Prepaid rent	85,000
Bank	100,000
Cash	50,500
Bank Loan	750,000
Fixed Assets	2,700,000
Stock	214,000

**Required** : Prepare Adino investment balance sheet as at 31<sup>st</sup> December 2015 (4mks)

16. The following trial balance was incorrectly prepared by a business student

Banis wholesalers

Trial balance

As at 31/12 2000

	Dr	Cr
Discount Allowed		6,080
Capital		135,000
Debtors	70,000	
Bank overdraft	3,000	
Advertising	15,000	
Creditors		30,000
Carriage inwards		7,000
Return outwards	8,000	
Purchases	102,000	
Sales		220,000
Cash	193,000	
	<u>391,000</u>	<u>398,000</u>

Identify any **four** mistakes in the trial balance above

(4mks)

- (a).....
- (b).....
- (c).....
- (d).....

17. Outline **two** differences between whole life and endowment policy.

( 4mks)

whole life policy	Endowment policy
(i)	
(ii)	
(iii)	
(iv)	

18. State the function of each of the following office equipment

(a) Composite machine

(1mk)

.....

(b) Franking machine (1mk)

.....  
(c) Guillotine machine (1mk)

.....  
(a) Shreding machine (1mk)

.....  
19. Outline **four** positive effects of high population growth rate in a country (4mks)

- (a).....
- (b).....
- (c).....
- (d).....

20. State **four** ways in which the government may create an enabling environment for business activities. (4mks)

- (a).....
- (b).....
- (c).....
- (d).....

21. State **four** items that can bring change in the circular flow of national income. (4mks)

- (a).....
- (b).....
- (c).....
- (d).....

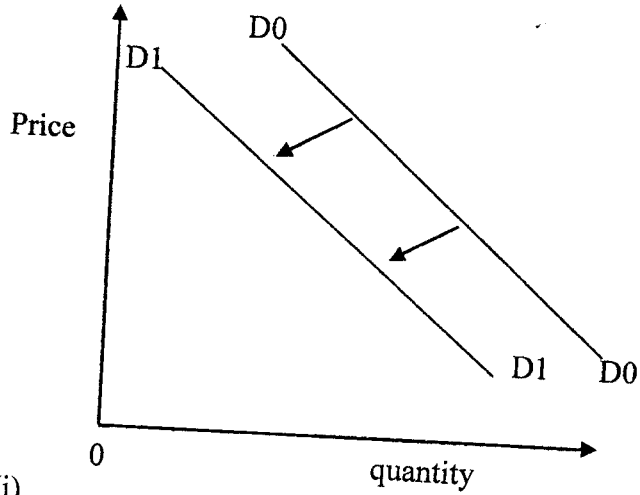
22. Outline **four** ways in which products can be differentiated under monopolistic competition (4mks)

- (a).....
- (b).....
- (c).....
- (d).....

23. List **four** types of warehouses. (4mks)

- (a).....
- (b).....
- (c).....
- (d).....

24. Highlight any four factors that may lead the demand curve to shift from D0 D0 to D1 D1. (4 marks)



- (i).....
- (ii).....
- (iii).....
- (iv).....

25. Outline four differences between public corporation and public companies. (4 marks)

Public corporations	public companies
(i)	
(ii)	
(iii)	
(iv)	